

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

6 Month CD Auction
 March 12, 2008
 Board Meeting
 April 30, 2008

OPERATING REPORT JANUARY 2008

Board of Treasury Investments

1900 Kanawha Boulevard East
 Suite E-122
 Charleston WV 25305
 (304) 340-1578
 www.wvbt.com

Board of Directors

John D. Perdue,
 State Treasurer,
 Chairman

Joe Manchin III,
 Governor

Glen B. Gainer III,
 State Auditor

Martin Glasser,
 Esq. Attorney
 Appointed by
 the Governor

Jack Rossi, CPA
 Appointed by
 the Governor

Executive Staff

Executive Director
 Glenda Probst,
 CPA, CTP

Chief Financial Officer

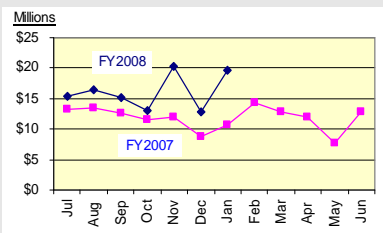
Kara K. Brewer,
 CPA, MBA

Total Net Assets Under Management

\$3,549,119,000

Last Month
\$3,341,468,000

Beginning of Fiscal Year
\$2,923,172,000

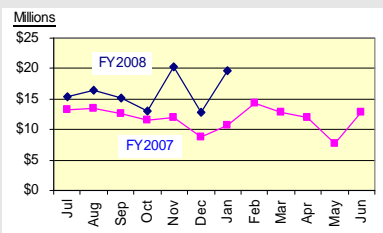


21.4% Growth This Fiscal Year

Total Net Income & Gains

This Month
\$19,729,000

Fiscal Year
\$112,822,000

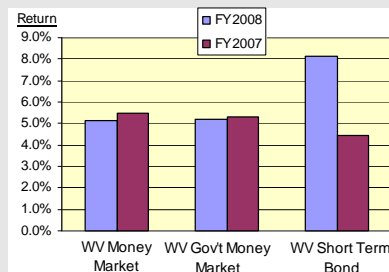


Outpacing Last Year

Effective Rates of Return

Time Weighted, Annualized, Net of All Fees

	Jan. 2008	Fiscal Year 2008	Fiscal Year 2007
WV Money Market	4.9%	5.1%	5.5%
WV Gov't Money Market	5.6%	5.2%	5.3%
	Fiscal Year 2008 (Past 12 Months)	Fiscal Year 2007 (Past 12 Months)	
WV Short Term Bond	8.1%	4.4%	



Returns are annualized fiscal year to date for WV Money Mkt & WV Gov't Money Mkt; past 12 months for WV Short Term Bond

Fiscal Year Return Comparisons

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
THE ECONOMIC STATE
JANUARY 2008

Businesses Hampered by Slowing Economic Growth
Overnight Lending Rate Lowered Twice in January

The U.S. unemployment rate declined to 4.9% in January from 5.0% the previous month. However, U.S. job growth unexpectedly fell in January for the first time in more than four years, falling 17,000 after an 82,000 gain in December. Additionally, U.S. service industries, representing almost 90% of the economy, unexpectedly contracted in January at the fastest pace since the 2001 recession. GDP grew at an annual rate of 0.6% in the fourth quarter, down from 4.9% in the previous quarter. Growth was half that expected as home construction fell the most in 26 years and consumer spending only grew 2.0% during the quarter. Business spending also cooled to a 7.5% pace. U.S. consumer prices rose at a slower pace in December, up 0.3% after a 0.8% gain in November. Over the past twelve months, consumer prices rose 4.1%, the most since 1990. The core CPI, which excludes food and energy, rose 0.2% in December and 2.4% in the 12-month period ending December. The Producer Price Index unexpectedly fell in December, down 0.1% following a 3.2% jump in November. Energy costs fell 1.9% in December after rising 14.0% in November. For the year ending December 31, 2007, the PPI rose 6.3% and the core PPI increased just 2.0%. Slowing economic growth is making it difficult for businesses to pass along higher costs.

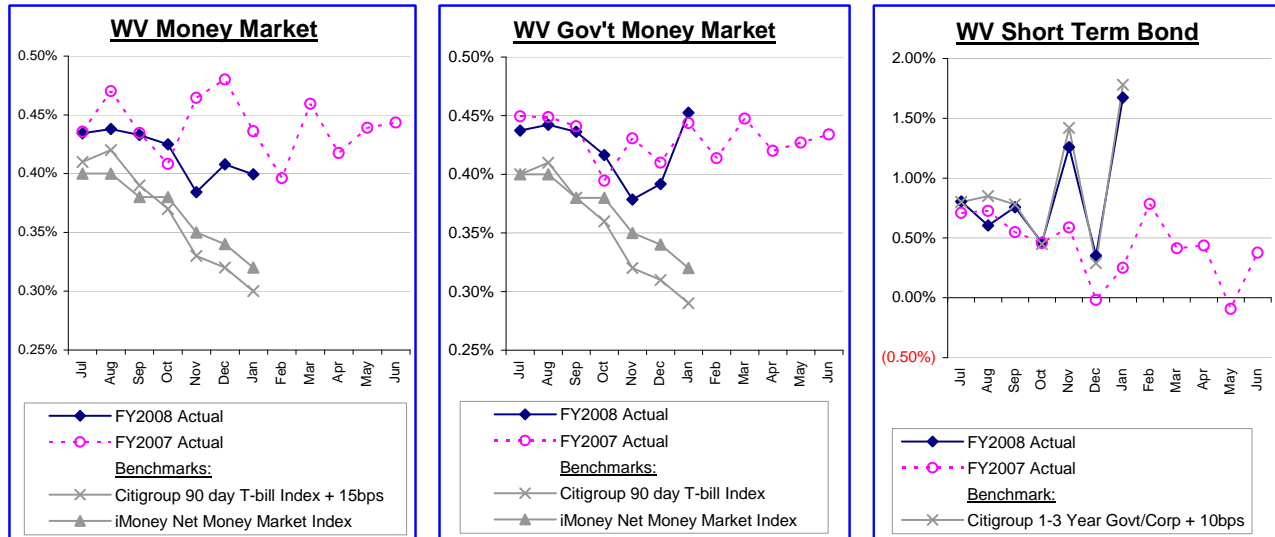
The Fed aggressively lowered the overnight lending rate twice during the month of January with an emergency 75 bp cut just eight days prior to their scheduled meeting on January 30, 2007 when the rate was dropped another 50 bps, leaving the overnight lending rate at 3.00% from 4.25%. The Fed will next meet on March 18, 2008 and the market is expecting another rate cut. For the month of January, the yield curve dropped significantly on the short end of the curve. The curve steepened and is no longer inverted at any point. The 3-month Treasury yield fell 130 bps to 1.94% as the 6-month Treasury yield dropped the most, down 134 bps to 2.05%. The 2-year Treasury yield fell 95 bps to 2.09%, while the 5-year Treasury lost 68 bps to 2.76%. The 10-year Treasury yield dropped 43 bps to 3.59% as the 30-year Treasury yield fell 13 bps to 4.32%, widening the yield spread with the 2-year Treasury to 223 bps.

Ninety-day T-Bills returned 0.50% in January, underperforming the 1.74% return of 1-3 Year Government Bonds. For the last 12 months, 90-Day T-bills earned 5.09%, while 1-3 Year Government Bonds returned 8.96%.

West Virginia Board of Treasury Investments

Financial Highlights as of January 31, 2008

Monthly Rates of Return for Operating Pools (Net of Fees)



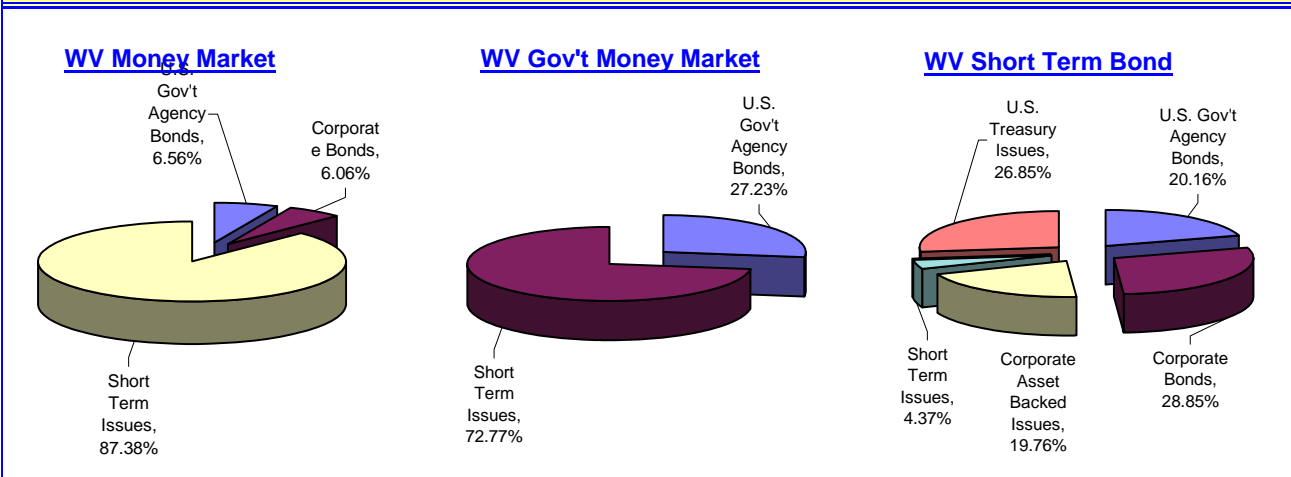
Summary of Value and Earnings (In Thousands)

Pool	Asset Value	Jan. Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 2,630,050	\$ 8,909	\$ 67,537
WV Gov't Money Market	235,000	801	6,656
WV Short Term Bond	241,965	4,008	13,950
WV Bank	75,887	285	1,876
Loss Amortization	172,869	4,921	18,592
Loans	119,843	510	1,850
Participant Accounts	73,505	295	2,361
	\$ 3,549,119	\$ 19,729	\$ 112,822

Percent of Total Net Asset Value

- Participant Accounts, 2.1%
- Loans, 3.4%
- Loss Amortization, 4.9%
- WV Bank, 2.1%
- WV Short Term Bond, 6.8%
- WV Gov't Money Market, 6.6%
- WV Money Market, 74.1%

Securities by Type for Operating Pools (Percentage of Asset Value)



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS –
UNAUDITED

JANUARY 31, 2008

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 2,666,809	\$ 239,625		\$ 75,000	\$ 119,406	\$ 41,096
At fair value	-	-	\$ 244,162	-	172,869	31,526
Collateral for securities loaned	459,890	34,057	86,457	-	-	-
Other assets	3,580	402	24,518	887	441	885
Total assets	<u>3,130,279</u>	<u>274,084</u>	<u>355,137</u>	<u>75,887</u>	<u>292,716</u>	<u>73,507</u>
Liabilities						
Payable for securities loaned	459,890	34,057	86,457	-	-	-
Other liabilities	40,339	5,027	26,715	-	4	2
Total liabilities	<u>500,229</u>	<u>39,084</u>	<u>113,172</u>	<u>-</u>	<u>4</u>	<u>2</u>
Net Assets	<u>\$ 2,630,050</u>	<u>\$ 235,000</u>	<u>\$ 241,965</u>	<u>\$ 75,887</u>	<u>\$ 292,712</u>	<u>\$ 73,505</u>
Investment income						
Interest and dividends	\$ 3,932	\$ 455	\$ 892	\$ 285	\$ 661	\$ 271
Securities lending income	1,746	167	496	-	-	-
Net accretion (amortization)	4,826	331	7	-	531	(21)
Provision for uncollectible loans	-	-	-	-	(147)	-
Total investment income	<u>10,504</u>	<u>953</u>	<u>1,395</u>	<u>285</u>	<u>1,045</u>	<u>250</u>
Expenses						
Fees	299	28	48	-	4	1
Securities lending borrower rebates	1,296	124	403	-	-	-
Bad debt expense	-	-	-	-	-	-
Total expenses	<u>1,595</u>	<u>152</u>	<u>451</u>	<u>-</u>	<u>4</u>	<u>1</u>
Net investment income	<u>8,909</u>	<u>801</u>	<u>944</u>	<u>285</u>	<u>1,041</u>	<u>249</u>
Net realized gain (loss)						
from investments	-	-	1,221	-	-	-
Net increase (decrease)						
in fair value of investments	-	-	1,843	-	4,390	46
Net gain (loss) from investments	<u>-</u>	<u>-</u>	<u>3,064</u>	<u>-</u>	<u>4,390</u>	<u>46</u>
Net increase (decrease) in net assets from operations	<u>8,909</u>	<u>801</u>	<u>4,008</u>	<u>285</u>	<u>5,431</u>	<u>295</u>
Distributions to participants	<u>8,909</u>	<u>801</u>	<u>2,165</u>	<u>285</u>	<u>510</u>	<u>-</u>
Participant activity						
Purchases, reinvestment of units and contributions	972,881	26,734	932	285	510	2,511
Redemptions and withdrawals	771,216	13,136	102	-	12,913	5,895
Inter-pool transfers in	25,658	-	-	25,000	-	-
Inter-pool transfers out	25,000	-	-	25,658	-	-
Net increase (decrease) in net assets from participant activity	<u>202,323</u>	<u>13,598</u>	<u>830</u>	<u>(373)</u>	<u>(12,403)</u>	<u>(3,384)</u>
Increase (decrease) in net assets	202,323	13,598	2,673	(373)	(7,482)	(3,089)
Net assets at beginning of period	2,427,727	221,402	239,292	76,260	300,194	76,594
Net assets at end of period	<u>\$ 2,630,050</u>	<u>\$ 235,000</u>	<u>\$ 241,965</u>	<u>\$ 75,887</u>	<u>\$ 292,712</u>	<u>\$ 73,505</u>